

**OGDEN/WEBER CONVENTION VISITORS BUREAU**

**December 31, 2006 and 2005**

**Financial Statements**

**(With Independent Auditors' Report)**

**LITZ &  
COMPANY**

*Certified Public Accountants  
A Professional Corporation*

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**INDEPENDENT AUDITORS' REPORT****To The Board of Directors  
Ogden/Weber Convention Visitors Bureau**

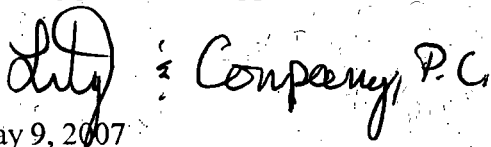
We have audited the accompanying statements of financial position of Ogden/Weber Convention Visitors Bureau (a not-for-profit corporation) as of December 31, 2006 and 2005, and the related statements of activities and cash flows for the years then ended. The financial statements are the responsibility of Ogden/Weber Convention Visitors Bureau's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of Ogden/Weber Convention Visitors Bureau as of December 31, 2006 and 2005, and the results of its operations and its cash flows for the year then ended in conformity with accounting standards generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated May 9, 2007, on our consideration of Ogden/Weber Convention Visitors Bureau's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of Ogden/Weber Convention Visitors' Bureau taken as a whole. The accompanying comparative supplementary schedule of combined activities is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements taken as a whole.

  
May 9, 2007

**OGDEN/WEBER CONVENTION VISITORS BUREAU**  
**Statements of Financial Position**  
**December 31, 2006 and 2005**

<u>ASSETS</u>	<u>2006</u>	<u>2005</u>
Current assets:		
Cash	\$ 178,889	\$ 203,739
Accounts receivable	147,118	159
Total current assets	<u>326,007</u>	<u>203,898</u>
Fixed assets:		
Office equipment	34,435	25,262
Accumulated depreciation	(17,456)	(13,327)
Fixed assets, net	<u>16,979</u>	<u>11,935</u>
Other assets	640	640
Total assets	<u>\$ 343,626</u>	<u>\$ 216,473</u>
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable	\$ 28,377	\$ 3,127
Accrued liabilities	3,543	11,541
Credit card payable	94	5,015
Related party payable	180	204
Deferred revenue	30,000	10,320
Total current liabilities	<u>62,194</u>	<u>30,207</u>
Net assets:		
Unrestricted	110,292	97,843
Temporarily restricted	171,140	88,423
Total net assets	<u>281,432</u>	<u>186,266</u>
Total liabilities and net assets	<u>\$ 343,626</u>	<u>\$ 216,473</u>

See accompanying notes and auditors' report

**OGDEN/WEBER CONVENTION VISITORS BUREAU**  
**Statement of Activities**  
**For the Year Ended December 31, 2006**

	Unrestricted	Temporarily Restricted	Total
<b>Revenues:</b>			
Contract revenue	\$ -	\$ 492,350	\$ 492,350
City partnerships	-	6,675	6,675
Marketing subscriptions and alliances	11,956	313,255	325,211
Interchangeable lift tickets	658	-	658
In-kind contributions	55,647	-	55,647
Miscellaneous	790	1,440	2,230
Interest income	9,381	-	9,381
Net assets released from restrictions	731,003	(731,003)	-
<b>Total unrestricted revenues</b>	<b>809,435</b>	<b>82,717</b>	<b>892,152</b>
<b>Expenses:</b>			
Automobile	9,138	-	9,138
Depreciation	4,130	-	4,130
Dues and publications	2,299	-	2,299
In-kind expense	55,647	-	55,647
Insurance	6,135	-	6,135
Miscellaneous	1,576	-	1,576
Office supplies	21,991	-	21,991
Postage and printing	6,044	-	6,044
Professional services	3,388	-	3,388
Rent	17,020	-	17,020
Repairs and maintenance	5,322	-	5,322
Sales and marketing	263,150	-	263,150
Taxes and licenses	441	-	441
Telephone	16,818	-	16,818
Training	8,571	-	8,571
Wages and benefits	375,316	-	375,316
<b>Total expenses</b>	<b>796,986</b>	<b>-</b>	<b>796,986</b>
<b>Change in net assets</b>	<b>12,449</b>	<b>82,717</b>	<b>95,166</b>
Net assets - beginning	97,843	88,423	186,266
Net assets - ending	\$ 110,292	\$ 171,140	\$ 281,432

See accompanying notes and auditors' report

**OGDEN/WEBER CONVENTION VISITORS BUREAU**  
**Statement of Activities**  
**For the Year Ended December 31, 2005**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
<b>Revenues:</b>			
Contract revenue	\$ -	\$ 488,600	\$ 488,600
City partnerships	-	6,666	6,666
Marketing subscriptions and alliances	11,300	97,947	109,247
Interchangeable lift tickets	10,468	-	10,468
In kind contributions	19,413	-	19,413
Miscellaneous	415	1,029	1,444
Interest income	6,105	-	6,105
Net assets released from restrictions	551,903	(551,903)	-
<b>Total unrestricted revenues</b>	<u>599,604</u>	<u>42,339</u>	<u>641,943</u>
<b>Expenses:</b>			
Automobile	8,711	-	8,711
Depreciation	3,769	-	3,769
Dues, memberships, fees	6,807	-	6,807
In-kind expense	19,413	-	19,413
Insurance	3,722	-	3,722
Interchangeable lift tickets	9,505	-	9,505
Miscellaneous	4,860	-	4,860
Office supplies	6,278	-	6,278
Postage and printing	5,469	-	5,469
Rent	17,020	-	17,020
Repairs and maintenance	4,682	-	4,682
Sales and marketing	169,696	-	169,696
Taxes and license	1,899	-	1,899
Telephone	10,728	-	10,728
Training	3,145	-	3,145
Wages and benefits	315,481	-	315,481
<b>Total expenses</b>	<u>591,185</u>	<u>-</u>	<u>591,185</u>
<b>Change in net assets</b>	<u>8,419</u>	<u>42,339</u>	<u>50,758</u>
<b>Net assets - beginning</b>	<u>89,424</u>	<u>46,084</u>	<u>135,508</u>
<b>Net assets - ending</b>	<u>\$ 97,843</u>	<u>\$ 88,423</u>	<u>\$ 186,266</u>

See accompanying notes and auditors' report

**OGDEN/WEBER CONVENTION VISITORS BUREAU**  
**Statements of Cash Flows**  
**Years Ended December 31, 2006 and 2005**

	<u>2006</u>	<u>2005</u>
<b><u>Cash Flows From Operating Activities:</u></b>		
Increase (decrease) in net assets	\$ 95,166	\$ 50,758
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities:		
Depreciation	4,130	3,769
Loss on disposition of assets	-	-
Changes in:		
Accounts receivable	(146,958)	13,467
Related party receivable	-	-
Other assets	-	-
Accounts payable	25,250	(1,172)
Accrued liabilities	(7,999)	1,412
Credit card payable	(4,921)	5,015
Related party payable	(24)	(195)
Deferred revenue	19,680	(44,432)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<u>(15,676)</u>	<u>28,622</u>
<b><u>Cash Flows From Investing Activities:</u></b>		
Purchase of equipment	<u>(9,174)</u>	<u>(2,830)</u>
<b>Net Cash Used in Investing Activities</b>	<u>(9,174)</u>	<u>(2,830)</u>
<b>Net Increase in Cash</b>	(24,850)	25,792
Cash and Cash Equivalents, beginning of year	<u>203,739</u>	<u>177,947</u>
<b>Cash and Cash Equivalents, end of year</b>	<u>\$ 178,889</u>	<u>\$ 203,739</u>

See accompanying notes and auditors' report

**OGDEN/WEBER CONVENTION VISITORS BUREAU**  
**Notes to Financial Statements**  
**December 31, 2006 and 2005**

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**1. Summary of Significant Accounting Policies**

This summary of significant accounting policies of the Ogden/Weber Convention Visitors Bureau (Bureau) is presented to assist in understanding the Bureau's financial statements. The financial statements and notes are representations of the Bureau's management, who are responsible for their integrity and objectivity.

**Organization**

The Bureau is a nonprofit organization exempt from income tax under Section 501(c)(6) of the United States Internal Revenue Code. The Bureau was formed for the purpose of attracting tourists to the Greater Ogden/Weber County area. The Bureau's primary source of revenue comes from transient room, rental car and restaurant tax from Weber County.

**Donated Services**

No amounts have been reflected in the accompanying financial statements for services donated because no objective basis is available to measure the value of such services.

**In-Kind Contributions**

In-kind contributions include lodging, food and beverage, transportation and other various items.

**Financial Statement Presentation**

The Bureau reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted. In addition, the Bureau is required to present a statement of cash flows.

The Bureau classifies donor-restricted contributions as temporarily restricted revenue and support. Upon satisfaction of the restrictions, they are reclassified to unrestricted net assets. Endowments and permanent restrictions imposed by donors on contributions and donations are presented as permanently restricted revenue and support.

**Estimates**

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

# **OGDEN/WEBER CONVENTION VISITORS BUREAU**

## **Notes to Financial Statements**

**December 31, 2006 and 2005**

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### **1. Summary of Significant Accounting Policies - (continued)**

#### **Cash Equivalents**

For purpose of the statement of cash flows, the Association considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

#### **Accounts Receivable**

Accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. The allowance for doubtful accounts at December 31, 2006 and 2005 was \$0.

#### **Property and Equipment**

Property and equipment are stated at cost, or if donated, at the approximate fair market value at the date of donation. The Bureau capitalizes all asset purchases over \$1,000. Depreciation is calculated using the straight-line method over the estimated useful lives of the related asset. Depreciation expense for 2006 and 2005 was \$4,130 and \$3,769 respectively.

### **2. Retirement Plan**

The Bureau's retirement plan allows employees to defer compensation into a 401(k) account. The Bureau will match employee contributions up to a percentage determined annually by the plan's retirement committee. The matching percentage for the years ended December 31, 2006 and 2005 was 5% percent. The matching amount paid by the Bureau for the plan for the years ended December 31, 2006 and 2005 was \$10,783 and \$6,986 respectively.

### **3. Affiliated Entities**

The Bureau has entered into an agreement with the Golden Spike Empire (GSE). The Bureau provides office facilities, administrative support and certain economic support to the GSE. The amount received from the GSE for administrative services for the years ended December 31, 2006 and 2005 was \$-0- respectively. The amount of expenses paid by the Bureau on behalf of the GSE and then repaid to the Bureau for 2006 and 2005 was \$-0-. At December 31, 2006, the CVB contracted with the GSE to provide services on the remaining balance of the state contract. It is anticipated that the CVB will continue to be the prime contractor with the state in the future and the GSE will have no significant activity.

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**OGDEN/WEBER CONVENTION VISITORS BUREAU**  
**Notes to Financial Statements**  
**December 31, 2006 and 2005**

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**4. Operating Leases**

**Office Facilities**

The Bureau leases office space under a cancelable lease. The lease was renewed for a three-year period effective January 1, 2003. The renewal contains a cancellation clause whereby either party may terminate the lease upon 90 days prior written notice. At December 31, 2006 the lease had expired and the Bureau is operating under a month to month rental agreement with monthly rents of \$1,418.

The expense associated with this lease for the year ended December 31, 2006 and 2005 was \$17,020 and \$17,020.

**5. Compensated Absences**

Accumulated unpaid sick pay amounts are nonvesting and therefore are not accrued in the financial statements. The potential future liability as of December 31, 2006 and 2005 was \$4,888 and \$35,000, respectively.

**6. Concentrations**

For 2006 the Company received 61% of its total income from Weber County. The county contract represents a concentration which could subject future revenues to be altered dramatically. Also, the Bureau maintains cash accounts in banks, which are insured by the Federal Deposit Insurance Corporation up to \$100,000. At December 31, 2006 the Agency's uninsured cash balances totaled \$52,920.

**7. Commitments**

The Bureau has a contract with Geiger & Associates for public relations services. The Bureau is to pay \$80,000 in twelve equal installments, starting December 27, 2005 through January 27, 2007. In April 2007 the Bureau signed a 10 month contract for services with the Intrepid Group with a total cost of \$40,000.

**OGDEN/WEBER CONVENTION VISITORS BUREAU**  
**Comparative Schedule of Combined Activities**  
**For the Years Ended December 31, 2006 and 2005**

**Schedule I**

	<b>Total 2006</b>	<b>Total 2005</b>
<b>Revenues:</b>		
Contract revenue	\$ 492,350	\$ 488,600
City partnerships	6,675	6,666
Marketing subscription and alliances	325,211	109,247
Interchangeable lift tickets	658	10,468
In kind contributions	55,647	19,413
Miscellaneous	2,230	1,444
Interest income	9,381	6,105
<b>Total unrestricted revenues</b>	<b>892,152</b>	<b>641,943</b>
<b>Expenses:</b>		
Automobile	9,138	8,711
Depreciation	4,130	3,769
Dues and publications	2,299	6,807
In-kind expense	55,647	19,413
Insurance	6,135	3,722
Interchangeable lift tickets		9,505
Miscellaneous	1,576	4,860
Office supplies	21,991	6,278
Postage and printing	6,044	5,469
Professional services	3,388	
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Repairs and maintenance	5,322	4,682
Sales and marketing	263,150	169,696
Taxes and license	441	1,899
Telephone	16,818	10,728
Training	8,571	3,145
Wages and benefits	375,316	315,481
<b>Total expenses</b>	<b>796,986</b>	<b>591,185</b>
<b>Change in net assets</b>	<b>95,166</b>	<b>50,758</b>
Net assets - beginning	186,266	135,508
Net assets - ending	<b>\$ 281,432</b>	<b>\$ 186,266</b>

See auditors' report

**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

**To The Board of Directors  
Ogden/Weber Convention Visitors Bureau**

We have audited the financial statements of Ogden/Weber Convention Visitors Bureau (a nonprofit organization) as of and for the year ended December 31, 2006, and have issued our report thereon dated May 9, 2007. We conducted our audit in accordance with auditing standards generally accepted in the United State of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control over Financial Reporting**

In planning and performing our audit, we considered Ogden/Weber Convention Visitors Bureau's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Ogden/Weber Convention Visitors Bureau's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported herein under *Government Auditing Standards*.

This report is intended solely for the information and use of the audit committee, management and the Board of Trustees and is not intended to be and should not be used by anyone other than these specified parties.

*Litz & Company, P.C.*

May 9, 2007

**INDEPENDENT AUDITORS' REPORT  
STATE LEGAL COMPLIANCE**

We have audited the financial statements of the Ogden/Weber Convention Visitors Bureau for the year ended December 31, 2006, and have issued our report thereon dated May 9, 2007. As part of our audit, we have audited the Ogden/Weber Convention Visitors Bureau's compliance with the requirements governing types of services allowed or unallowed; eligibility, matching, level of effort, or earmarking, reporting, special tests and provisions applicable to each of its major State assistance programs as required by the State of Utah Legal Compliance Audit Guide for the year ended December 31, 2006. The Ogden/Weber Convention Visitors Bureau received the following major State assistance program from the State of Utah:

Transient Room Tax

The management of the Ogden/Weber Convention Visitors Bureau is responsible for its compliance with all compliance requirements identified above. Our responsibility is to express an opinion on compliance with those requirements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether material noncompliance with the requirements referred to above occurred. An audit includes examining, on a test basis, evidence about the Ogden/Weber Convention Visitors Bureau compliance with those requirements. We believe that our audit provides a reasonable basis for our opinion.

The results of our audit procedures disclosed no instances of noncompliance with the requirements referred to above.

In our opinion, the Ogden/Weber Convention Visitors Bureau complied, in all material respects, with the requirements governing types of services allowed or unallowed; eligibility, matching, level of effort, or earmarking, reporting, and special tests and provisions that are applicable to each of its major State assistance programs for the year ended December 31, 2006.

*Litz & Company, P.C.*

May 9, 2007